

SEN. KEVIN L. RAYE  
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REP. ROBERT W. NUTTING  
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EXECUTIVE DIRECTOR  
DAVID E. BOULTER



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SEN. BARRY J. HOBBS  
SEN. DEBRA D. PLOWMAN  
SEN. JUSTIN L. ALFOND  
REP. PHILIP A. CURTIS  
REP. EMILY ANN CAIN  
REP. ANDRE E. CUSHING III  
REP. TERRY HAYES

125<sup>TH</sup> MAINE STATE LEGISLATURE  
LEGISLATIVE COUNCIL

**MEETING SUMMARY**  
**February 7, 2012**

**CALL TO ORDER**

Legislative Council Chair, Senate President Raye called the February 7, 2012 Legislative Council meeting to order at 11:48 a.m. in the Legislative Council Chamber.

**ROLL CALL**

Senators:	President Raye, Senator Courtney, and Senator Alfond Senator Hobbins arrived shortly after the start of the meeting. Absent: Senator Plowman
Representatives:	Speaker Nutting, Representative Curtis, Representative Cushing, Representative Cain and Representative Hayes
Legislative Officers:	Joseph Carleton, Secretary of the Senate Heather Priest, Clerk of the House David Boulter, Executive Director Rose Breton, Legislative Finance Director Debra Olken, Human Resources Director Marion Hylan Barr, Director, Office of Policy and Legal Analysis Grant Pennoyer, Director, Office of Fiscal and Program Review Suzanne Gresser, Revisor of Statutes John Barden, Director, Law and Legislative Reference Library Scott Clark, Director, Legislative Information Technology

Senate President Raye convened the meeting at 11:48 a.m. with a quorum of members present.

**SUMMARY OF NOVEMBER 17, 2011 MEETING OF LEGISLATIVE COUNCIL**

**Motion:** That the Meeting Summary of January 26, 2012 be accepted and placed on file. Motion by Senator Courtney. Second by Representative Hayes. **Motion passed (9-0-0-1, with Senator Plowman absent).**

**REPORTS FROM EXECUTIVE DIRECTOR AND COUNCIL OFFICES**

**Executive Director's Report**

David Boulter, Executive Director, submitted the following written report. No oral report was given.

#### Status of Posting of Written Public Hearing Testimony

The pilot project to post written testimony received by joint standing committees at public hearings on legislation begins this week. Written testimony received during public hearings by four committees will be scanned and posted to the Legislature's website shortly following each public hearing. The four committees in the pilot project are the joint standing committees on: Insurance and Financial Services, Marine Resources, Transportation, and Veterans and Legal Affairs.

Testimony may be found when viewing the status of a bill in committee or more generally by clicking "Committees", then "Public Hearing Testimony, by Committee" on the Legislature's homepage.

#### **Fiscal Report**

Grant Pennoyer, Director, Office of Fiscal and Program Review, submitted the following written report. No oral report was given.

#### **Revenue Update**

Preliminary data indicate that January revenue was under budget by roughly \$38 million and around \$30 million for the fiscal year through January. The table below summarizes some of the major variances based on preliminary January revenue data.

#### **January 2012 - Major General Fund Revenue Variances**

**\$'s in Millions**

	<b>January</b>	<b>FYTD</b>
<b>Major Negative Variances:</b>		
Sales and Use Tax	(\$4.0)	(\$3.3)
Services Provider Tax	(\$2.2)	(\$2.1)
Individual Income Tax	(\$23.1)	(\$22.9)
Corporate Income Tax	(\$7.1)	(\$1.5)
Cigarette and Tobacco Tax	\$1.5	(\$0.4)
Fines, Forfeits and Penalties	(\$0.3)	(\$1.2)
Tax Relief Fund Transfers	(\$3.1)	(\$3.7)
Hunting and Fishing License Fees	(\$0.9)	(\$0.9)
<b>Major Positive Variances:</b>		
Insurance Companies Tax	\$0.1	\$2.4
Estate Tax	\$0.4	\$0.8
Finance Industry Fees	\$0.3	\$0.4

All of the major taxes performed poorly relative to budget in January. The 4 tax categories affecting revenue sharing transfers were under budget by a combined \$36.5 million in January and \$29.7 for the fiscal year through January. Individual Income Tax had the

largest variance. However, roughly \$15 million of the negative variance is due to a large number of refunds having been processed on January 31<sup>st</sup>. The extra refunding processing day was not factored into the monthly distribution of budgeted revenue. Estimated payments in January for both individual and corporate income taxes were also substantially below budget. And finally, the initial positive performance for holiday sales tax collections in late November appears to have diminished in December.

### **Highway Fund Revenue Update**

Highway Fund revenue was slightly over budget in January and for the fiscal year through January despite continuing negative variances in gasoline tax collections.

### **Revenue Forecasting Schedule**

The Revenue Forecasting Committee (RFC) will meet on Wednesday, February 22<sup>nd</sup> to finalize the mid-session revenue forecast update. The RFC will need to assess and react to January's General Fund revenue performance, but not to any changes in the underlying economic forecast.

### **Status of Legislative Studies**

Marion Hylan Barr, Director of the Office of Policy and Legal Analysis, submitted a written report on the status of legislative studies. No oral report was given.

## **REPORTS FROM COUNCIL COMMITTEES**

### **1. Personnel Committee**

President Raye, Chair of the Personnel Committee, offered the following report.

The Personnel Committee met on February 7, 2012 and considered a request by a member of the Legislature's nonpartisan staff for temporary disability income benefits. The request was consistent with the provisions for temporary disability income benefits under the Legislative Council's personnel policies and guidelines. Upon the recommendation of the Executive Director, the committee voted unanimously to approve the request. No Legislative Council action is required.

### **2. State House Facilities Committee**

No report

### **3. Budget Subcommittee**

Speaker Nutting, Chair of the Budget Subcommittee, submitted the following report.

The Budget Subcommittee met on Friday, February 3, 2012 to consider various budget savings in legislative accounts that could be made available to help cover the current projected shortfall in the Department of Health and Human Services' budget that is being addressed through legislation pending in the Joint Standing Committee on Appropriations and Financial Affairs.

With information provided by the Office of the Executive Director, the budget subcommittee members identified potential savings in various budget lines resulting from increased efficiencies in legislative operations and other measures. Budget savings were identified in areas such as out-of-state travel, legislator in-state travel, printing and mailing costs, photocopying, advertising, legal services, salary savings in nonpartisan offices and unspent funds budgeted for legislative studies.

The Budget Subcommittee voted unanimously to recommend to the Legislative Council that the following budget savings in the noted legislative accounts totaling \$1,404,000 be transferred to the General Fund prior to June 30, 2012:

- A. Legislative Account – Study Commissions, General Fund  
\$2,225 in Personal Services line category  
\$5,775 in All Other line category
- B. Legislative Account – General Fund  
\$304,575 in Personal Services line category  
\$1,079,000 in All Other line category
- C. Legislative Account – Law and Legislative Reference Library General Fund  
\$12,425 in Personal Services line category

Total: \$1,404,000

**Motion:** That upon the unanimous recommendation of the Budget Subcommittee, the Legislative Council approve General Fund budget savings totaling \$1,404,000 to be achieved in legislative accounts by lapsing funds to the General Fund in FY12 in accordance with the subcommittee's recommendations;

FURTHER, that the funds be transferred to the General Fund not later than June 30, 2012; and

FURTHER, that the Executive Director be directed to prepare and transmit all necessary implementing language reflecting this decision of the Legislative Council to the Joint Standing Committee on Appropriations and Financial Affairs on behalf of the Legislative Council for inclusion in the committee bill relating to streamlining and prioritizing core government services, LR 2701. Motion by Speaker Nutting. Second by Representative Cain. **Motion passed (9-0-0-1, with Senator Plowman absent).**

Legislative Council Chair Raye asked if there was any objection to tabling all other agenda items until the Legislative Council's regular monthly meeting on February 23, 2012. There was no objection. The Chair then moved to **Announcements and Remarks.**

## ANNOUNCEMENTS AND REMARKS

None

The Legislative Council meeting was adjourned at 11:55 a.m. on a motion by Speaker Nutting, seconded by Representative Cushing. **Motion passed (9-0-0-1, with Senator Plowman absent).**